

THE CHINOOK ADVANCE

Vol. 21

Chinook, Alberta, Thursday, Oct. 14th 1937

No.

LARGE SCHOOL UNITS STILL BEING FORMED

Edmonton, Oct. 14 (Special)—Officials of the department of education here said the postponement order of the larger school unit act in the Hand Hills district only applies to that district.

In other parts of the province, plans to form larger school units are being proceeded with, resulting in possibly 12 or more additional units by the end of this year. Last year 11 were organized.

Aviators Map Out Drouth District

Surveying 10,000 square miles of drouth arer east and south-east of Calgary, Royal Canadian Air Force bilots, using three airplanes, have been taking many photographs of the stricken districts during the past few weeks for the use of the Dominion Government.

The pilots reea Flying Officer C Rutledge, Sergeant D Gilmour and Sergeant S.

Paralysis Takes Girl at Sibbald

Only Two Cases Remain in Isolation Hospital at Calgary

A victim of the poliomyelitis epidemic died in Sibbald Thursday afternoon. The sufferer was a 14-year-old girl. According to a dispatch, the Sibbald schools have been closed for a week as a precautionary measure, although only the one case has been reported to date.

Three doses of poliomyelitis serum were shipped to Airdrie Saturday. Dr. W. F. Edwards Airdrie said that no cases had been reported in the district, but the town had decided to take every precautionary measure. Calgary medical health authorities, however, said the serum was only sent out when suspects are under opservation.

This is the first week since epidemic's outbreak that not a single case was reported to Calgary health authorities.

CARD OF THANKS

The School Fair Association wish to thank all those who so generously donated to the Fair, also those who helped to make the Fair a success.

[Continued from last week]

Chinook and District School Fair Prize Winners

11 and 12 Yrs. of Age
Class 55—Baking Powder Biscuits—1 Ruth Harrington, 2 Elaine Roy, 3 Grace Stewart, Dorita Whelan.

Class 56—Peanut Brittle—1 Paul Hettler, 2 Elsie Hettler, 3 Ruth Harrington, 4 Elaine Roy.

Class 58—Drop Cookies—1 Elsie Hettler, 2 Paul Hettler, 3 Grace Stewart, 4 Elaine Roy.

Class 59—School Lunch—1 Elaine Roy, 2 Ruth Harrington.

13 Yrs. of Age and Over
Class 60—White Bread—1 Ruth Falconer, 2 Bruce Hutchison, 3 Muriel Turnbull, 4 Jessie Schmidt.

Class 61—Graham Bread—1 Barbara Shier, 2 Ruth Falconer, 3 Hazel Harrington, 4 Donald Roy.

Class 62—Oatmeal Cookies—1 Kathleen Proudfoot, 2 Ruth Falconer, 3 Barbara Shier, 4 Gordon Wilson.

Class 64—Chocolate Fudge—1 Barbara Shier, 2 Ruth Falconer, 3 Muriel Turnbull, 4 Kathleen Proudfoot.

Class 65—School Lunch—1 Bruce Hutchison, 2 Donald Roy, 3 Kathleen Proudfoot, 4 Hazel Harrington.

Class 66—Collection of Canning—1 Donald Roy, 2 Hazel Harrington, 3 Barbara Shier.

Sewing, Knitting Etc., 10 Yrs. of Age and Under

Class 68—Doll Scarf—1 Martha Hettler, 2 Bertha Hettler.

Class 69 (a)—Article from Gummy Sacks—3 Martha Hettler.

11 and 12 Yrs. of Age

Class 70 (a)—Slip-Over Apron—1 Elsie Hettler.

Class 70 (b)—Nighgown—1 Ruth Harrington.

Class 71—Hemmed Patch on Cotton—1 Elaine Roy, 2 Elsie Hettler, 3 Teresa Hettler.

Class 72—Woven Darning—1 Elsie Hettler, 2 Elaine Roy.

Class 74—Hemstitched Towel—1 Elsie Hettler, 2 Elaine Roy, 3 Ruth Harrington.

13 Yrs. of Age and Over

Class 75—Hemmed Patch on Cotton—1 Jessie Schmutz, 2 Barbara Shier, 3 Kathleen Proudfoot, 4 Hazel Harrington.

Class 76—Woven Darning—1 Kathleen Proudfoot, 2 Barbara Shier.

Class 77—Sampler—1 Kathleen Proudfoot, 2 Barbara Shier, 3 Hazel Harrington.

Class 78—Hemstitched Towel—1 Barbara Shier, 2 Jessie Schmutz, 3 Hazel Harrington, 4 Jessie Schmidt.

Class 79—Bedroom Set—1 Kathleen Proudfoot, 2 Barbara Shier.

Open to All Ages

Class 80—Knitted Mittens—1 Martha Hettler, 2 Elsie Hettler, 3 Barbara Shier, 4 Teresa Hettler.

Class 82—Thrift Problem Using Flour or Sugar Sacks—1 Kathleen Proudfoot, 2 Elsie Hettler, 3 Barbara Shier, 4 Hazel Harrington.

Class 84—Thrift Problem Using Old Bags—1 Elaine Roy, 2 Kathleen Proudfoot, 3 Elsie Hettler.

Class 85—Thrift Problem Using Old Wearing Apparel—1 Elsie Hettler, 2 Barbara Shier.

ELEMENTARY SCIENCE

Class 88—Collection of Insects Grade 11—Teddy Mulligan, Navarre Massey, Gerald Youell, Glen Bilton.

Class 89—Collection of 6 Plants Grade 11—Billy Lee, Dudley Connor, Ray Cooley, August Rosenau.

Class 90, Grade V—Plant Booklet—Jean Morimer, Nancy Connor, Billy Proudfoot, Bernice Peterson.

Class 92, Grade VII and VIII Agricultural Booklet—Betty Allen, Jessie Schmidt, Bobby Proudfoot, James Gilbertson.

SCHOOL WORK INDUSTRIAL ART

A—Grade I

Class 94—Stick Print Design—Kasper Beilmont, Lorne Cooley, Marcene Butts, John Rosenau.

Rice	3 lbs	.25c
Sunny Boy Cereal	per pkg.	.33c
Cream of wheat	" "	.25c
Bulk Cocoa	per lb	.15c
Matches	per pkg.	.30c
Swifts Lard	per lb	.20c
Molasses	5 lb tin	.50c

Fresh stock of Radio B. Batteries

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Ice Cream, Confectionary, Soft Drinks

All Kinds Tobacco

All kinds of Cigarettes

Canned Goods

MAH BROS.

Class 95—Drawing of Fruit or Vegetable—Myrna Bilton, John Rosenau, Kasper Beilmont, Marcel Butts.

Class 96—Leaves & Flowers in Crayon—Wesley Leftwich, Sylvia Shuppelt, Nettie Oberkas, Eric Schmidt.

Class 97—Construction of Simple Building—Elliott Oberkas, Eric Schmidt, Floyd Cooley, Wesley Leftwich.

Class 98—Leaves or Pattern—Navarre Massey, Albert Ford, Florence Montelth, Ethelene Hille.

Class 99—Drawing of a Typical Conveyance—Elliott Oberkas, Arthur Turnbull, Hugh Wilson, Gerald Youell.

Class 100—Drawing in Pencil of an Animal—Glenn Turpie, Esther Paetz, August Rosenau, Ray Cooley.

Class 101—Border Design—Ray Cooley, Billy Lee, August Rosenau, Dudley Connor.

Class 102—Conveyance in Pencil—Grace Stewart, Eva Marr, Billy Proudfoot, Teddy Rosenau.



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(Batteries extra for all models.)



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"Cleaning outhouses is easy with GILLET'S LYE"

"Yes—I use it regularly... It drives away odors fast"

Keeps outside closets clean and sanitary—

● Keep your outhouse sanitary... odorless this easy way—once a week sprinkle half a tin of Gillett's Pure Flake Lye over contents of closet. It cleans thoroughly, quickly destroys contents.

There are countless uses for this powerful cleanser. It frees clogged drains, cuts right through grease, wipes off stubborn dirt, saves you hours of drudgery. Keep a tin always on hand.

Never dissolve lye in hot water. The action of the lye itself heats the water.



FREE BOOKLET—The Gillett's Lye Booklet tells how to use this powerful cleanser for dozens of tasks. Send for a free copy to Standard Brands Ltd., Fraser Ave. and Liberty St., Toronto, Ont.

An Outstanding Issue

With the recent announcement that the Commission appointed by the Federal Government and headed by the Hon. Newton Wesley Rowell is to tour the West within the next month or two to secure evidence as to the necessity for amendments to the Canadian constitution and to what extent and in what form constitutional reforms should be effected, the time is opportune for Western Canadians to take stock of the situation and make sure that strong and sane representations are made while the opportunity is available.

Emphasis is laid on the incumbency of this duty upon Western Canadians because, if any part of the country has already suffered because of lack of clarity in the division of legal responsibilities as between the Federal government and the provinces, it is the West, and particularly the producers of the West who have in the past few years seen marketing legislation sponsored both by Federal and Provincial legislative bodies thrown out by the courts, as well as other reform measures particularly designed to meet conditions in Western Canada.

Until this question is cleared up beyond peradventure and the constitution made amenable to present day conditions, not only is it impossible for the people of Western Canada to secure measures which they believe would ameliorate existing conditions, but the future welfare of the West is seriously threatened as long as this division of authority and responsibility is indeterminate.

The chairman of the commission has announced that the commission will not hear arguments from individuals, but will only take evidence from accredited representatives of founded organizations, or words to that effect, which means that only the crystallized viewpoints of organizations will be considered.

Whether or not there is wisdom in this decree, the fact remains, and it behooves all organizations interested in the economic social and political welfare of the West not to allow the grass to grow under their feet in marshalling their facts and making the necessary arrangements to see that their group opinions reach the commission at the appointed time and in the manner determined by the commission.

Even under this arrangement the individual who has given a complicated subject serious study and consideration does not lose all opportunity of getting his version of a vexed problem before the authorities, for he can at least do so, if in his own organization he can persuade his fellow members that his suggestions are worthy of submission, though he may not be given the opportunity of presenting his ideas to the commission in person.

While exception may be taken in some quarters to this question being tackled by a government-appointed commission and while other measures have been suggested, such as a round-table conference of representatives of all interests concerned, the fact that the problem is not being approached in some other manner should not act as a brake in getting the viewpoint of all organized bodies capable of dealing with the question, before the commission.

Over a period of the past two or three decades the West has had the experience of submitting representations to a number of commissions appointed to inquire into this or that, only to find, too often, that a mere fraction of the recommendations subsequently made by the inquiring bodies have been implemented in legislation, but disappointment at the lack of achievement in the past should not act as a deterrent in presenting opinions to the new commission on Dominion and provincial relationships.

An attitude of "Oh, what is the use?" cannot under any circumstances produce desirable results and the question is too serious and important for the West to allow the opportunity to pass by without making its voice heard.

After all the important thing for the West, as well as for the rest of the Dominion is the aftermath—the decisions of the commission and the results of its recommendations, whether or not the method of securing the information or the road through which the goal is reached is to the taste of everyone.

In this, as in most other things, the old adage that half a loaf is better than no bread, still holds good.

More "life" and nutrition in
PURITY FLOUR
Best for *all* your Baking

PF237

Lead Monotonous Life

The Soviet Polar Party Camping On Drifting Ice Floe

The monotonous routine of work and relaxation for four unwashed (it's too cold for baths) members of the Soviet polar party, camping on a drifting ice floe, was described by their radio operator, Ernest Krenkel.

Falling temperatures were adding to inconveniences of their existence. Caviar, cheese and butter, froze so hard they had difficulty eating them and ice encased the tiny hut in which they live.

At breakfast, Krenkel related, they soaked their toast in water so the crunching as they chewed would not awaken the party leader, Ivan D. Papanin, sleeping at that hour.

"I am on watch until midnight," Krenkel said. "Then I awaken Eugene Federov, the camp magnetologist, who takes the morning weather observations."

A voice from Rudolf Island asked the weather report. He exchanged news, telling what we heard on the radio.

"Federov remains in the tent or goes to the ice hut, where he busies himself over his charts. For myself, there comes the happy moment. I go into my sleeping bag."

"About nine a.m. Papanin and Pyotr Shirsov, hydro-biologist, awaken," Krenkel said. "Shirsov, to train himself to get up quickly, has a bar of chocolate above his head. The man who awakens him has a stop watch. If Shirsov's feet are not on the floor in five minutes, the chocolate is given to someone else."

"Because of the need to conserve fuel, only Shirsov, who spends his whole day at scientific work in the tent, washes his face once every two weeks. He is dirty from oil and grease and his hands are blue from the icy water. But he is obtaining interesting work from his observations."

Krenkel told of conversations at tea time turning to Spain, China and Moscow. He said the campers listen regularly to Moscow news broadcasts.

"At night our dog cries in its sleep as if it was having a nightmare," he added. "All around it, is so quiet you can hear ice cracking in the distance."

Canadian Health Program

Dominion-Wide Campaign For Better Health And Physical Fitness

Launching out in a Dominion-wide campaign for better health and physical fitness, the Health League of Canada has, through its president, the Hon. Mr. Justice Riddell, asked newspaper editors and mayors of towns and cities to serve on or appoint representatives to the General Council of the League.

The Council will have as its members representatives of all important interests in Canada in order to provide a means for the discussion of health problems common to all communities. All representatives will be kept constantly in touch with the developments of the League's educational program in the promotion of better health and the prevention of disease.

The desire of the Health League in its Dominion-wide plan is to follow the lines of Great Britain's new campaign for physical fitness which was launched September 30th. That campaign has at its disposal ten million dollars for a health program which will run a wide gamut, from seeking to encourage to maternity and child welfare services, and from organized games to health films and better care of the teeth.

Already many editors of daily and weekly newspapers in Canada have advised the Hon. Mr. Justice Riddell that they will serve on the general council of the Health League of Canada.

Three hundred and ninety mayors were asked to serve on the council, many have accepted.

Health literature has already been sent to the recently appointed representatives on the council.

It is planned to organize small committees in every municipality which will co-operate with local health officers and local organizations in the extension of educational measures to promote the health of Canada and to reduce the toll of sickness and death from disease.

On the island of Tahiti, the sun and moon have an equal effect upon the tide; throughout the rest of the world, the moon has complete control.

Mother (doing a cross-word puzzle): "Give me the name of a motor that starts with T."
Father (fed up): "Don't be absurd, my dear, they all use gas."

The price of pork and veal is now so high they are using chicken in chicken salads. 2224

Estate Overestimated

Marconi Did Not Leave Millions As At First Reported

David H. Sarnoff, president of the Radio Corporation of America, returned to New York on the French liner Paris from a five weeks' visit to Europe. He said the estate of the late Senator Marconi had been overestimated in the published accounts by millions of dollars.

"At the time of his death," Mr. Sarnoff said, "it was published widely that the late Senator Marconi left a fortune of about \$25,000,000."

"As a close friend of Marconi for many years, I saw the members of his family while in Europe. They told me that the gross value of the estate left by the Senator will not exceed \$150,000, and that this modest figure will be substantially reduced by death duties, taxes, legal fees, etc. This sum includes about \$30,000 which the estate will receive from the Italian government to whom Marconi sold his yacht Elettra shortly before his death."

"It also includes the value of his old home at Bologna, Italy, where he carried on his original experiment and made his invention of wireless telegraphy."

ALICE STEVENS' RECIPES

PROPER DIET HELPS BUILD STRONG TEETH

Which is more important—to brush the teeth twice a day or to eat teeth-building foods?

Scientific research tells us that results obtained from working with large groups of children show that the diet is much more important. The diet of today contains so many refined foods that the teeth have very little work to do.

Teeth require exercise to keep them healthy. Unless they are exercised frequently the blood does not flow to the teeth as it should and the teeth are not in a healthy condition. Apples are a food that require considerable chewing and this is very beneficial to the teeth. Other crisp foods such as celery are also excellent.

Raw apples give the teeth more exercise than cooked ones because the cooking softens the cellulose. Some of the vitamins are destroyed in the cooking, so for both these reasons food specialists tell us that diet should include some raw foods. One of the most attractive means of serving raw apples is to serve them as salads.

WALDORF SALAD

Peel and cut apples into small pieces. Cover at once with salad dressing to prevent discoloration. Wash and dice the celery and add to the chopped apples. Arrange this mixture on a lettuce leaf and garnish with chopped walnuts.

This salad is very attractive if it is served in an apple cup. Select a red apple. Cut a slice off the top. Remove the centre without breaking through the skin. Prepare the salad and return it to the apple cup. Garnish with walnuts and serve on a lettuce leaf.

APPLE AND CABBAGE SALAD

Chop the apples and add the dressing at once. Add chopped cabbage and mix with the dressing. Arrange on a bed of lettuce. A dash of cayenne pepper makes an attractive garnish. Cottage cheese mixed with nuts and shaped into small balls may be arranged around this salad.

Readers are invited to write to Alice Stevens' Home Service, Penticton, B.C., for free advice on home cooking and household problems. (Please mention this paper).

Muscle Must Be Martial

The Japanese Home Office has banned sentimental and popular songs and phonograph records as "debtmental to the national spirit." It urged, instead, martial music. "The Japan Times" commented: "The public is complaining that the new martial songs are so hurriedly composed and so poor that they cannot be sung."

Reptiles molt, the same as birds, only they shed the outer covering of their scales, while a bird drops the entire feather.

Denounces Collective Security

Premier Hertzog Of South Africa Says Treaty Of Versailles Has Caused Trouble

General J. B. Hertzog, prime minister of South Africa, denounced collective security and attributed international distrust in Europe to the "war psychology of 1919."

Addressing a public meeting, General Hertzog labelled the treaty of Versailles the source of the present international distrust and armaments race. A victor of 1919 remains under the delusion the victory of 1919 provides "a kind of sacred right in 1937 and in the future to demand obedient submission from the vanquished" to the terms of the Versailles treaty. "It is quite clear that unless there is a fundamental change in this mentality of European leaders the next European war will be the child of the treaty of Versailles," he declared.

General Hertzog denounced collective security as an attempt to obtain peace by force or threats of force, whereas the League of Nations aimed at security through peace. The interests of South Africa, he said, demand it support the league despite its failure over Abyssinia.

Valuable Breed Of Cattle

A breed of cow found by Chinese scientists in Hangchow districts is said to produce 5 per cent. butterfat in its milk, which is higher than the United States standard.

At a luncheon of newspaper men, the following toast was offered: "The ladies! Second only to the press in the dissemination of news!"

At grocers, druggists, stationers and departmental stores.

Warehouses at Calgary, Regina and Winnipeg

Ladies' Card Club

The Ladies' Card Club held a farewell party on Tuesday night of last week for Miss Mildred Milligan who left next day for Millicent. Mrs. Cooley was hostess and honors were shared by Mrs. Cooley and Mrs. Peyton. After a dainty lunch, Miss Milligan was presented with a farewell gift, with the best wishes of the ladies.

Mrs. Peyton will entertain the club next week.

Miss Joyce Milligan of Millicent who has been visiting with friends here returned home Tuesday.

Mr. and Mrs. E. C. Pfeiffer, Maxine and Mrs. Bayley and Miss Joan, motored to Atlee on Sunday where they visited at the home of Mr. and Mrs. Bjork.

Mr. C. W. Rideout spent Thanksgiving Day at the Wilson farm.

Miss Shier with her sister of Lanfine, motored to Cayley where they visited at their home for a few days.

Mr. and Mrs. Malcolm motored to Lacombe on Friday. Mr. Malcolm returned, but Mrs. Malcolm will visit with her parents for a few weeks.

Mr. J. Eaglesham, Government Relief Employee, from Edmonton was a Chinook business visitor this week.

Miss Alice Levick was an Alaskan visitor over the week end.

The Cooley Bros. of the 'Service Garage' sold a 1937 new Ford Sedan V-8 car last week to Mr. Malcolm, Chinook school principal. They also sold a new 1937 model Ford V-8 light truck to Mr. Andy Lyster, of Youngstown, two weeks ago.

Mrs. A. McLennan returned on Thursday from Vancouver where she spent the past month visiting at the home of her sister who lives in that city.

Old Timers Leave Chinook

Mr. and Mrs. E. B. Allen and family, of the Heathdale district left Friday morning for Mannville, Alta. where they have leased a farm. The people of the Chinook district regret very much to lose the Allen family, as they have at all times been ready and willing to assist with everything that was for the benefit of the district.

Mr. and Mrs. Allen were among the first settlers who came to Chinook. Mr. Allen has had the Heathdale Post

Office for a number of years.

We wish for them good health and prosperity in their new home.

Mr. E. A. Jacobson will have the Heathdale Post Office vacated by Mr. Allen.

Born—To Mr. and Mrs. Russel Marr in the Cereal Hospital on Saturday, Oct. 2 a son.

Mr. and Mrs. Morrel spent the week end at the home of Mr. and Mrs. W. Thompson.

The Facts About Banking in Canada

Reproduced from the Fifth Broadcast in a Series by Vernon Knowles for the Chartered Banks of Canada and Delivered Over a Province-Wide Network of Alberta Stations on Tuesday Evening, October 5th, from 8:30 to 8:45.

Shows That Banks Have Increased Credit by \$227,000,000 Since 1929 . . . Alberta's True Wealth More Than Offsets Albertans' Debt. . . Deals With Money, What it Is, Where it Comes From and How it Works . . . Canada's Currency and Credit Controlled by the Dominion Government—Through the Bank of Canada . . . Points Out Question of Who Owes and Who Owns.

YOU have heard that ordinary banking business is one thing, and credit something else. The idea seems to be that the ordinary business of banking can go right along without hitch, while banks can be forced at the same time, to grant extraordinary credit without limit regardless of assets or values.

Not only is that impossible but actually it could have but one end—the ruination of the banks, and of the country as well.

You hear that when banks have to pay anything, they merely issue their own cheques and it costs them nothing. It is not true. It just can't be done. Like any bank, you can only pay what it pays with money which has to be earned—in the last analysis real cash. I shall tell you more about cash in the course of this broadcast.

Now I shall answer two more absolutely false impressions which I find rampant throughout Alberta. The first is that, since 1929 Canada's Chartered Banks have reduced the total volume of credit by \$766,000,000. The second is that Alberta has only twenty cents on the dollar to meet her debts.

Regarding the \$766,000,000 it is even suggested that the Chartered Banks deliberately and willfully reduced the money in circulation to that extent in order to gain some selfish end. If you were told that the bankers refused to sell bread, it would be about as sensible as the story that bankers refuse to make loans to responsible borrowers. Banks derive their chief revenue from loans and to say that they willfully withdrew credit by the hundreds of millions is equal to saying that they are in the habit of cutting off their nose to spite their face.

Our critics have fallen into an error that is quite understandable. They have looked at one column of figures in the statistics published by the Bank of Canada, without looking at another column where they would have found their answer. It is quite true that the total of commercial loans shows a large reduction, but it is also true that investments in bonds show a large increase.

What is the explanation? Simply that, with much-reduced business activity and lower prices, our customers use less money. For example, when wheat is worth say \$1.50 a bushel it takes \$150,000 to buy one hundred thousand bushels. But, if wheat were at fifty cents a bushel, it would take only \$50,000 to buy the same amount of grain. Owing to the difference in price the same amount of business can be done with \$100,000 less money.

On top of that is the uncertainty that comes with depression and the hesitancy of people in business to commit themselves with their usual confidence. They go on a hand-to-mouth basis. They do not want loans in anything like the amounts they want in normal times. Banks, however, cannot afford to have their funds lying idle and earning nothing; therefore, they are driven to invest much more heavily in bonds.

The earnings a bank gets out of a bond are much higher than come from an ordinary loan. Wouldn't you, if you were a banker, prefer to make loans rather than put your money into bonds?

What are the facts?

The total of loans outstanding and money invested in securities by the Chartered Banks, at the end of July this year, was \$227,000,000 greater than in July of the boom year 1929. Money invested in Government and other bonds is a loan to a Government or a Corporation just as much as an advance to a farmer, merchant or manufacturer is a loan to him.

Since 1929 Canada's Chartered Banks have actually increased credit by \$227,000,000. This completely disproves the shrewd claim that we have decreased credit by \$766,000,000.

Now as to that second false impression. The general proposition is that Albertans have \$80,000,000 in the bank and that they owe \$100,000,000 is just one of those things that sound plausible but present a clear misrepresentation. Even assuming that the figures are correct, the \$80,000,000 is not all that Albertans possess.

To that figure you must add their individual possessions and the wealth and potential wealth of resources which stand behind your provincial borrowings. Consider, for instance, the true value and the potential productive worth of Alberta's coal mines, oil fields, tar sands, farms and forests.

If you add to your \$80,000,000 in deposits the true value of the assets which stand behind the \$100,000,000 you will find a very substantial balance in your favour.

It is said that because there is \$80,000,000 on deposit in Alberta and debts total \$100,000,000, there is only twenty cents to meet every dollar of debt. Let us ask: "Who owes the twenty cents and who owes the dollar?" If you have \$200 in the bank and if I owe somebody \$1,000, then you have twenty cents for every dollar I owe. Can I take any part of your two hundred to pay off any part of my thousand? But the critic says: "Oh, there is too wide a disparity between debts and deposits and that gap should be closed."

All right, let's close it. Now, we'll say that I still owe the \$1,000 but you have \$1,000 in the bank. The disparity has been wiped out. You now have a dollar for every dollar I owe but still what right have I to take the thousand you have to pay to somebody else the thousand I owe?

If Albertans have \$80,000,000 in bank deposits in this Province it is money belonging to individuals. It is their own. Debtors, whether they be individuals, a Province or a municipality, or whoever they may be, cannot expect to use your money to pay their debts. If you have money in the bank the very next time anybody tells you that there is only twenty cents in money in the banks in Alberta to meet every dollar of debt, just ask the man who tells you that whose debt he thinks your money is going to pay.

We promised to tell you a few things about money and to explain away some of the strange misapprehensions about it.

We shall try to tell you in a practical way, what money is, where it comes from and how it works. There is a fairly widespread idea that there are not enough bank notes or "tickets" around—and that, if there were more, we would all be better off.

If I say that I would like some more of those bills, I am really demanding a larger share of the bills that now exist, perhaps some of those that you have, for you can have in circulation at any one time only as many bills as the volume of business calls for. The moment you issue bills faster than that, you get inflation.

After our first broadcast I received a letter from an Alberta woman who lived in Germany through the inflation. I would like to read to you what she says: "Why not tell Alberta people about conditions in Germany during the inflation—this talking about money being printed to meet the needs of the people is getting somewhat on my nerves. I lived through the entire trying times of 1923 and I could quote you some startling examples created through unorthodox banking. At one time I bought an apartment for the staggering sum of Thirty-two Million Marks. I have heard farmers speaking in the lobby of a bank, having sold their produce for One Thousand Marks at one o'clock and, about an hour later, finding that the very same produce required twice, often three times the amount of money to repurchase it."

In Germany at times during the inflation it took an armful of paper Marks to buy a loaf of bread. This German lady, speaking

of paper money inflation, goes on to say: "It brings nothing but chaos, with the greatest loss to those who can least afford to lose."

There speaks the voice of experience. No greater outrage has ever been perpetrated on a people than that of wild inflation. It destroys their assets. If you are in the twilight of life or incapacitated but, during the years you were able to work, had put aside a little for the rainy day, you lose. Perhaps you bought some bonds and the income from them is all you have to live on, perhaps \$25 or \$30 a month. Then one day, as in Germany, "tickets" are issued in large quantities, without any basis in value and without regard to the volume of business.

Your \$25 or \$30 a month, through the huge increase in prices caused by inflation will buy only a fraction of what it bought before. If you are a person with a small fixed income you cannot buy enough to live upon.

Particularly does this apply to a family whose breadwinner has died, leaving only the proceeds of an insurance policy. They seem to have at least some material protection, then inflation comes. Their money becomes almost worthless. That is what happens, that is all that can happen when money is issued altogether out of step with production.

When you hear the tale of the people who couldn't travel on a railway train because there were not enough "tickets" printed, remember that the financial system, in exactly the same way as a railway, lives by selling a service; anyone will realize that there will be no hesitation to provide all the "tickets" necessary so long as something of equal value is received in exchange. As a matter of fact in July this year, there were \$18,000,000 more "tickets" in the hands of the public—bank notes of all kinds—than there were in July of the boom year, 1929. And since July the "tickets" in the hands of the public have increased.

The story that, for their own selfish purposes, banks monopolize the credit of the people, is a completely false conception of bank operations. A bank does extend credit to an individual—or if you like it, monetizes his credit for him—not for itself. That is, the bank makes a loan to him on the strength of things which are his own and which he intends to sell later on and so repay the loan.

No one borrows from a bank unless he believes he will make a profit for himself over and above the bank charges. The bank does, of course, collect interest or rental on the money loaned but the borrower's credit has been monetized entirely for his own use and benefit, subject only to a small fee for the bank's services.

Money merely facilitates indirect barter. If you have hogs and your neighbour has money maybe you don't want to take money in exchange for your hogs. Perhaps you want coal or clothing and you cannot buy them at the store by giving money for them. So your neighbour gives you money for your hogs—"tickets"—and with those "tickets" you buy the coal or the clothing you require as the case may be.

Now what is money?

You and I have been brought up to look upon nickels, dimes, quarters and dollar bills as money—and they are for all practical purposes. Actually these things are really tokens—they are not wealth in themselves. They are merely the title to goods. They are worth only what goods and services you and I can get in exchange for them. That is why it is so important that nothing be done to destroy the confidence of the people in them. That is why there must be no manipulation of the issue of these things if their value is not to disappear.

To be a little more expert, as it were, it would be quite right to say that there is far more money in existence than the small

change and bills we see around. You deposit in the bank—for all practical purposes—is money, good, useable money. You hold the bank's promise to pay you that money when you want it; and banks are careful to keep their financial house in such order as will enable them to do just that—pay you when you want your deposit.

The bank holds your deposit, your neighbour's and mine and because it does, it is able to make loans—the proceeds of which go into the production of new wealth. The borrower makes a profit on the deal, he has more to spend than he has before. This stimulates business and by giving rise to increased employment, distributes purchasing power more and more widely among the people.

Where does money come from?

You often hear that the Chartered Banks alone make it and that they alone have the power to make it—all of which is quite wrong. Last week I told you about the limited power that Canada's Chartered Banks have to issue currency—now up to only ninety per cent of their paid-up capital and let me tell you they pay very little for that concession. They have to pay one per cent tax to the Dominion Government on their note circulation and they have to stand all the cost of printing and express and insurance in shipping it around wherever it is needed. Let me tell you that all this, added together, makes the privilege of note issue anything out a gold mine.

The Dominion Government formerly issued notes. When the Bank of Canada was opened the Dominion Government turned over its right of note issue to that institution. It gave the Bank of Canada all its gold holdings, plus Dominion Government bonds, to offset the liability assumed for the notes outstanding.

Then the Chartered Banks were required to turn over all of their gold to the Bank of Canada and to-day the Bank of Canada has, by Dominion Government regulation, power within certain limits to issue notes. These notes of the Bank of Canada together with all deposits in that bank, are backed by more than 80% of their face value in gold, other bullion and foreign exchange.

I told you in my earlier broadcasts that I would tell you about "cash." Bills of the Bank of Canada are cash—simply put, as we have shown. Cash in Canada really means bills of, or deposits in, the Bank of Canada—the Government's central bank. Bank of Canada bills, by law, are legal tender. Legal tender is the money in which all debts must be settled if either the debtor or the creditor insists. All other notes in Canada must, on demand, be redeemed by the bank concerned—in cash.

I told you a moment or two ago about the other kind of money—your deposits. They come from your savings, your labour, your production. They also are redeemable in cash. To say that money can be made out of nothing is surely a statement which Albertans will meet with disbelief.

The Bank of Canada was formed for the purpose of securing to Parliament the control of currency and credit. That control was strengthened when, in accordance with prior pledges, ownership of the majority of the capital was vested in the Government. Under the law, no banker, no bank director and no member of any bank staff is allowed to own so much as a single share in this Government central bank.

Let me close on this final note—currency and credit in Canada are not controlled by Canada's Chartered Banks, which are commercial banks—but, with due and proper regard to the value of the money you now have, by the Bank of Canada, which in turn is controlled by the Government of this Dominion.

Watch for Announcement Giving Dates and Times of Sixth Broadcast. This and Future Addresses Will Be Reproduced in This Newspaper.